

**LEGISLATIVE SERVICES AGENCY
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FISCAL IMPACT STATEMENT

LS 6050

BILL NUMBER: HB 1014

NOTE PREPARED: Nov 2, 2009

BILL AMENDED:

SUBJECT: Use of Minority and Women's Business Enterprises.

FIRST AUTHOR: Rep. Riecken

FIRST SPONSOR:

BILL STATUS: As Introduced

FUNDS AFFECTED: X **GENERAL**
DEDICATED
FEDERAL

IMPACT: State & Local

Summary of Legislation: This bill expands the duties of the Governor's Commission on Minority and Women's Business Enterprises (Commission) to include setting goals for all contracts entered into with the use of state property and the use of state funds involving the use of real property of a unit of local government. It requires the Department of Administration to direct contractors to demonstrate a good faith effort to meet participation goals. It requires the Commission to work with the Department of Administration to develop a statement for grantees stating the importance of the use of minority and women's business enterprises. The bill also requires a unit of local government to report to the Commission on the planned and actual participation of minority and women's business enterprises in a grant or contract that is subject to the goals set by the Commission.

Effective Date: July 1, 2010.

Explanation of State Expenditures: *Indiana Department of Administration (IDOA) and the Commission on Minority and Women's Business Enterprises:* This bill requires the Commission on Minority and Women's Business Enterprises to set annual goals for all contracts entered into:

- (1) involving the use of state real property; or
- (2) with the use of state funds involving the use of real property of a local unit of government.

This requirement is in addition to the Commission's duties provided in IC 4-13-16.5-2. The Commission is funded through the IDOA's budget.

The Commission is also required to advise the IDOA on developing a statement regarding the importance of the use of minority and women's business enterprises. Because the bill specifies that the statement will be used in all applications and agreements governing grants with state funds, additional administrative costs

may be incurred in order to implement this provision.

This bill also requires the IDOA to direct contractors to demonstrate a good faith effort by using the repository of certified firms created under IC 4-13-16.5-3 in order to meet participation goals. The IDOA should be able to implement this provision within their existing resources.

Explanation of State Revenues:

Explanation of Local Expenditures: This bill requires local units of government to report to the Commission regarding the planned and actual participation of minority and women's business enterprises in grants or contracts. This provision could increase administrative expenses for local units of government that are affected by this legislation. Any potential impact is indeterminable because it will depend upon the extent that local units of government report to the Commission as a result of the bill's provisions.

Explanation of Local Revenues:

State Agencies Affected: IDOA.

Local Agencies Affected: Local units of government.

Information Sources:

Fiscal Analyst: Jessica Harmon, 232-9854.